

Hearing Date: April 2, 2009 at 10:00 a.m. (Eastern Time)

CADWALADER, WICKERSHAM & TAFT LLP
One World Financial Center
New York, New York 10281
Telephone: (212) 504-6000
Facsimile: (212) 504-6666
John J. Rapisardi (JR 7781)
Oren B. Haker (OH 1974)

*Counsel to the Auto Task Force of the
United States Department of the Treasury*

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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| In re: |) | Chapter 11 Case No. |
| |) | |
| Delphi Corp., <i>et al.</i> , |) | 05-44481 (RDD) |
| |) | |
| Debtors. |) | (Jointly Administered) |
| |) | |

**STATEMENT OF THE AUTO TASK FORCE OF THE
UNITED STATES DEPARTMENT OF THE TREASURY
IN RESPONSE TO DEBTORS' ENTRY INTO THE
SECOND AMENDMENT TO THE ACCOMMODATION AGREEMENT**

TO THE HONORABLE ROBERT D. DRAIN,
UNITED STATES BANKRUPTCY JUDGE:

The Auto Task Force of the United States Department of the Treasury (“Treasury”) respectfully submits this statement (the “Statement”) in response to the second amendment to the Accommodation Agreement,¹ which became effective on March 31, 2009 (the “Accommodation Amendment”). The Accommodation Amendment effectively extends the March 31 default deadline under the Accommodation Agreement to April 7, and requires Delphi to secure an additional \$150 million from General Motors (“GM”) by this new date, or, in the alternative, to

¹ Capitalized terms not defined herein shall have the meaning ascribed to them in the Second Amendment to the Accommodation Agreement or in the Form 8-K filed in conjunction therewith.

apply the \$117 million on deposit in the Incremental Borrowing Base Cash Collateral Account to the Tranche A Facility and the Tranche B Term Loan on April 8, or otherwise be in default under the Accommodation Agreement. Treasury submits the Statement to inform the Court that the extension through April 7 is insufficient and that it will need 30 days – until April 30 – (a) to undertake its due diligence of the GM-Delphi relationship and assess whether to reconsider its objection to GM’s commitment to fund Delphi with \$150 million pursuant to Amendment 4 and Amendment 5 to the GM Arrangement (collectively, the “GM Amendments”) and (b) to sit with all relevant stakeholders to attempt to reach a comprehensive solution that permits Delphi to emerge from chapter 11. Treasury has articulated this need for 30 days to Delphi, GM and the Lenders.

Treasury’s right to prohibit GM from funding Delphi \$150 million is unequivocal. Specifically, as a condition to the GM Amendments’ effectiveness, Treasury must not have notified GM, on or before March 23, that it objects to the increase in GM’s commitment to \$450 million. Treasury’s right to object is contained in the Loan and Security Agreement, dated December 31, 2008, by and between GM (and certain other borrowers) and Treasury (the “LSA”). The LSA provides Treasury with the right to prohibit borrowers from engaging in Material Transactions, defined as transactions not in the ordinary course of business that exceed \$100 million. In accordance with its rights, on March 23, Treasury objected to GM’s funding of Delphi in the amount of \$150 million. Treasury reserved the right to reconsider its objection upon obtaining a more thorough understanding of the transactions and the needs of Delphi and GM.

Treasury has informed Delphi that any further funding by GM can only be made in conjunction with the requisite parties’ resolving Delphi’s liquidity needs in bankruptcy, including emergence funding, as well as GM’s risks associated with continuity of supply of auto parts.

Treasury's position is that a standstill agreement that preserves the status-quo through April 30 will provide it and other interested parties, including Delphi, the Lenders, the unsecured creditors and GM, breathing space to assemble a modified restructuring plan that is mutually beneficial to GM and Delphi and its creditors. As evidence of its good faith, Treasury is prepared to provide the Court with interim updates assessing progress towards a global resolution during this 30 day period.

For the reasons set forth herein, Treasury respectfully requests that the Court not authorize the approval of the Accommodation Amendment.

Dated: April 1, 2009
New York, New York

/s/ John J. Rapisardi

John J. Rapisardi (JR 7781)
Oren B. Haker (OH 1974)
CADWALADER, WICKERSHAM & TAFT LLP
One World Financial Center
New York, New York 10281
Telephone: (212) 504-6000
Facsimile: (212) 504-6666

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